

MARKET BULLETIN

REF: Y4599

Title	New South African Binding Authority Endorsement
Purpose	To advise the Market of the release of a revised South African Binding Authority Endorsement, LSW1598B.
Type	Event
From	Peter Montanaro, Head, Delegated Authorities, Performance Management Directorate, +44 (0)20 7327 5971 & Peter.Montanaro@lloyds.com
Date	15 June 2012
Deadline	The wording LSW1598B must be endorsed onto all active South African binding authorities upon renewal or before 31 December 2012, whichever is the sooner.
Related links	Y4574 - South African Binder Agreements: New Regulations Published

Issue

This bulletin is addressed to all Lloyd's Market stakeholders involved in binding authority business in South Africa.

Lloyd's previously advised, via Market Bulletin Y4574, that the South African Financial Services Board (FSB) has revised Part 6 of the Regulations under the Short-term Insurance Act 1998 (the Act) relating to binder agreements (the Binder Regulations).

The FSB stipulated that all binder agreements concluded with a South African intermediary after 1 January 2012 must comply with these new Binder Regulations and all binder agreements concluded on or before that date must be aligned within one year.

To ensure compliance with the Binder Regulations Lloyd's has amended and re-issued a revised version of the South African Binding Authority Endorsement with immediate effect.

The new version, LSW1598B, must be endorsed onto all current binding authority agreements either upon renewal or before 31 December 2012, whichever is the sooner.

All parties to South African binding authority agreements which are subject to this endorsement should also note that various provisions within this endorsement require

additional action by the contracting parties and also that the no element of the original binding authority agreement should conflict with the endorsement wording.

Market Participants should familiarise themselves with the terms of the Endorsement, which should be read with the Binder Regulations. The FSB will be monitoring compliance with the Regulations and particular attention should be paid to the distinction between different types of South African coverholder, which are defined separately as either a Non-Mandated Intermediary or an Underwriting Manager in the Regulations.

Further Information

For background on the Regulations please consult [Market Bulletin Y4574](#).

For further enquiries please contact:

Lloyd's International Trading Advice
Lloyd's Desk - Ground Floor,
Underwriting Room

Telephone: +44 (0)20 7327 6677

Email: LITA@Lloyds.com

www.lloyds.com/crystal

Or:

Amit Khilosia
General Manager
Lloyd's South Africa (Pty) Ltd
P.O Box 787163
Sandton
South Africa

Telephone: +27 11 5050000

Email: amit.khilosia@lloyds.com